Michigan and Great Lakes Ports vs. Competitor Regions

- As of January 23, 2014 the State Transportation Commission has approved the 2014-2018 Five-Year Transportation Program. This program will allocate $5,627M (Highways), $850M (Aviation), and $1,6363M (Bus, Marine, and Rail): totaling $8.1 billion over the next five years.
- Over the next five years $1,125M will be spent annually on highways, $170M will be spent annually on Aviation, and $327.2M on Bus, Marine, and Rail systems in the State of Michigan.
- Out of the $327.2M allocated for Bus, Marine, and Rail systems, the State of Michigan Provides $468,200.00 annually to support commercial marine operations. (MDOT NO. 2015-0031). Approximately **.14%** of the States annual spending on Bus, Marine, and Rail systems.
- Neighboring States provide significantly more support for commercial marine operations.

1) **Indiana**: Governor Mike Pence made the Announcement on June 12, 2013 that state and local partners will provide a combined $22.5 million in funding to complete a transportation corridor between the River Ridge Commerce Center and the Port of Indiana – Jeffersonville (River Ridge Commerce Center 2013). The Indiana Department of Transportation will contribute $11.25 million and a quartet of other groups will be responsible for matching the amount dollar-for-dollar (River Ridge Commerce Center). The Port of Indiana-Jeffersonville is the fastest growing port on the Inland Waterway System. This intermodal transportation gateway is located on the northern bank of the Ohio River in Jeffersonville, Ind., directly across the river from Louisville, Ky. This location is within a one-day drive of more than two-thirds of the U.S. market and is adjacent to the "automotive and appliance alley."
    - The Port of Burns Harbor received a $2.3 million upgrade of Erato Street Cruise Terminal to accommodate ships as large as the 130,000-ton, 1,040-foot-long Carnival Dream (Advisory, April 8, 2014). Maritime operations at Burns Harbor generate $4.3 billion per year in economic activity and support 33,000 total jobs.
    - $2.5M is allocated to the Port of Burns Harbor and its Ohio River Ports (Mount Vernon and Jeffersonville) and another $ 2.5M for the Ports of Indiana, from its headquarters in Indianapolis.
    - The State of Indiana allocates $5M for its three ports, approximately $1.7M annually per port.

2) **Minnesota**: Four ports on Lake Superior and five ports on 222 miles of the Mississippi River now provide essential transportation connections and access to national and international markets (MNDOT).

- In 2008, the Port Authority received its own allocation of $15 million in tax credits, which are given to investors who put up money to fund business-expansion loans in depressed areas.

- In 2011, the Port received a $14 million allocation as part of the $3.5 billion that the Community Development Financial Institutions Fund (CDFI) allocated to 99 programs nationwide.
- In 2012, the Port received a $22 million allocation.
- The Mississippi River System stretches over 222 miles in Minnesota and supports five port areas whose combined 2012 tonnage was 10.7 million net tons. The River accounts for over 50 percent of Minnesota's agricultural exports.
- (Lake Superior/ Great Lakes/ St. Lawrence Seaway) Minnesota has four ports on Lake Superior including Taconite Harbor, Silver Bay, Two Harbors and Duluth/Superior. Their combined waterway tonnage for 2012 was just over 61 million tons, about 1.2 million tons more than 2011.
- The Port of Duluth-Superior is the largest tonnage port on the Great Lakes and continues to rank among the top 20 ports in the U.S., handling an average of 38 million short tons of cargo and hosting nearly 1,000 vessel visits each year.
- The Port Authority also owns and manages multiple waterfront properties, including the Clure Public Marine Terminal, Garfield Docks C & D, Erie Pier, and an industrial park near the Duluth International Airport. DSPA operates a designated Foreign Trade Zone at both its terminal and the Airpark.
- Operating revenue for the Port Authority is generated through land leases, storage and dockage fees, economic development investments and related financing activities. Additional funding is provided by grants from the state's Port Development Assistance Program, the City of Duluth tax levy, and project specific federal grants. The Duluth Seaway Port Authority operates under Minnesota Statutes 469.048 through 469.068 and 074.

    3) **Illinois**: Several major port facilities within the city of Chicago, Illinois operated by the **Illinois International Port District;** Port Facilities and sire include, Iroquois Landing Lakefront Terminal: at the mouth of the Calumet River, it includes 100 acres (0.40 km^2) of warehouses and facilities on Lake Michigan with over 780,000 square meters (8,390,000 square feet) of storage, Lake Calumet terminal: located at the union of the Grand Calumet River and Little Calumet River 6 miles (9.7 km) inland from Lake Michigan. Includes three transit sheds totaling over 29,000 square meters (315,000 square feet) adjacent to over 900 linear meters (3000 linear feet) of ship and barge berthing. Grain (14 million bushels) and bulk liquid (800,000 barrels) storage facilities along Lake Calumet. The Illinois International Port district also operates Foreign Trade Zone #22, which extends 60 miles (97 km) from Chicago's city limits.

- Mayor Rahm Emanuel, Governor Pat Quinn and Illinois International Port District Chairman Forde announced that the Broe Group has been selected to lead a revitalization of the Illinois Port Authority District, injecting $500 million in new infrastructure investments and creating up to 1,000 new jobs while ensuring more efficient management and operations of the facilities.

- The new agreement is similar to what the prosperous ports have done across the country. It will also create a new partnership with the nearby Olive Harvey College that includes an internship sponsorship, job placement opportunities, and training programs for new hires.
- It is an entirely self-funded entity and relies primarily on revenues from it tenants in the form or rent and fee payments.

Competitor States provide even more funding than neighboring States do:

1) **Maryland**: The Port of Baltimore is one of the largest ports in the United States. Serving over two thirds of the eastern seaboard, it is second only to New York in gross tonnage. The port consists of seaport facilities for cargo, especially roll-on/roll-off ships, and passengers operated by the Maryland Port Administration (MPA), a unit of the Maryland Department of Transportation. Maryland Port Administration currently oversees a total of 14 port terminals.
    - **Maryland Department of Transportation** plays a vital role in regional partnerships between neighboring states, freight stakeholders and non-profits.
    - Maryland Port Administration currently has a $56.7 million project that was made possible thanks to funding from the Transportation Infrastructure Investment Act of 2013 and federal funding. $44.8 million in federal funding and $11.86 million in state funding.
    - "Investing in Maryland's transportation infrastructure is crucial if we want to reduce highway congestion, enhance traffic safety, improve our state's economy and make life better for all Marylanders," said Congressman John Sarbanes (D-Md.)
    - (October 23, 2014) – Today, Lt. Governor Anthony G. Brown, Congressman Dutch Ruppersberger, and Baltimore County Executive Kevin Kamenetz joined leadership from Sparrows Point Terminal, regional business leaders, and state and local officials for a press conference highlighting the redevelopment potential of Sparrows Point and the opportunity for job creation and economic development for the region. The 3,100-acre site in southeastern Baltimore County offers a unique redevelopment opportunity in a strategic location with easy access to existing infrastructure such as rail lines, highways and a deep-water port.
    - Freight on east coast expected to double by 2030. (M(Maryland) DOT)
    - Sparrows Point Terminal (SPT), the new owner of the former steelmaking facility, signed agreements with both the Maryland Department of the Environment and the U.S. Environmental Protection Agency, which marked the first major step towards the final clean-up and planned redevelopment of the property into a hub for port-related, energy, advanced manufacturing and distribution uses. The agreements include a $48 million financial commitment from SPT as well as provisions to ensure that remediation of the site remains on schedule.

- The Transportation Infrastructure Investment Act of 2013 (Transportation Act) phases in a variety of revenue increases, which when fully implemented, provides more than $4 billion in new transportation funding from FY 2014 through FY 2019. This new revenue has enabled MDOT to address important capital and operating needs including congestion relief, safety improvements, transit availability; and maintain the competitiveness of the Port of Baltimore and BWI Marshall Airport.
- Port of Baltimore The Water Resources Reform and Development Act (WRRDA) reauthorization bill, enacted by Congress in May 2014, authorizes U.S. Army Corps of Engineers (COE) projects. This bill includes the authorization for funding to dredge Maryland's 135 miles of federal navigation channels leading into the Port of Baltimore. This legislation is necessary to support high priority projects such as maintaining deepened navigation channels and harbor maintenance, as well as key dredge placement projects such as Poplar Island and Mid-Chesapeake Bay Island. MDOT continues to work with the Maryland Congressional Delegation to ensure this critical funding is available to maintain access to the thriving Port of Baltimore.
- With the support of Senators Mikulski and Cardin and our US House Delegation, the Port has also benefited from a $10 million U.S. Department of Transportation (USDOT) Transportation Investment Generating Economic Recovery (TIGER) grant in FFY 2013. This grant will increase the Port's cargo handling capacity and provide rail access at its Fairfield Marine Terminal. The $29 million project will use dredged material from the Port's main access channel to fill an aging basin and create a 7.6-acre cargo staging area in a prime location near the vessel berth. Rail access will also be added at Fairfield to improve the Port's handling of autos and roll on / roll off equipment.

- **Multimodal freight Projects**: Last year, about 356 million tons of freight was transported to, from, within, and through Maryland, accounting for approximately $430 billion in value.
- M(Maryland)DOT is developing a Strategic Goods Movement Plan
- Invest heavily in FY2015, 2016 and 2017, less investment in FY2018, 2019, 2020. Estimated Cost for Port Investment 938 million (Special Funds), 10.1 million (federal funds)
- Where the Money comes from, Maryland's transportation system is funded through several dedicated taxes and fees, federal aid, operating revenues, and bond sales, which are assigned to the Transportation Trust Fund: Motor fuel tax (22%), Vehicle titling tax (16%), Registrations and MVA fees (14%), Corporate Income Tax (3%), Sales and Use tax (3%), Operating (9%), Bonds (11%), Federal Aid (18%), and Other (4%). Total projected Trust Fund revenues amount to $28.6 billion for the six-year period. *This fund is separate from the State's General Fund, which pays for most other State government operations and programs.

- Where the money goes: MDOT capital expenditures (51%), MDOT Operating Expenditures (38%), Local Govt's and General Fund (5%), Debt Service (6%).
- This FY 2015 - 2020 CTP (Consolidated Transportation Program) totals about $15.9 billion, $14.6 billion of which comes through the Trust Fund and $1.3 billion from "Other" fund sources, including local contributions, WMATA direct funding, PFC airport fees, etc.
- Maryland Port Administration (MD) - Port of Baltimore Enhancements for $10,000,000 – "to expand the handling capacity at the Fairfield Marine Terminal at the Port of Baltimore by filling in the obsolete West Basin. The project also includes the construction of a rail intermodal facility to handle expanded automotive export and imports."
- The Maryland Port Administration currently has approximately: $87M worth of investments being put into the different Port facilities and various infrastructures. The funding comes from various places, including the Maryland Transportation Trust Fund, Federal Grants, The United States Department of Transportation, and other Grant programs.

2) **Georgia**: Georgia's deepwater ports and inland barge terminals support more than 352,000 jobs throughout the state annually and contribute $18.5 billion in income, $66.9 billion in revenue and $2.5 billion in state and local taxes to Georgia's economy. The Port of Savannah handled 8 percent of the U.S. containerized cargo volume and 10.9 percent of all U.S. containerized exports in FY2013. In FY2014, the GPA handled record total tonnage and container traffic, moving 29.4 million tons of cargo (up 8 percent) and 3.14 million twenty-foot equivalent container units (TEUs), up by 6.3 percent compared to the previous year.

   - Bulk cargo import/exports were up 8.4% to 2.7 million tons. Georgia Port Authority has set aside $1.3 billion for capital investments over the next 10 years. With the passing of the Water Resources Reform & Development Act in June, the state received $266 million to invest in deepening the port. The completion of the Savannah River deepening is expected to coincide with the Panama Canal Expansion in 2016.
   - Federal Funding: Economic Development Administration (2mil), Environmental Protection Agency (164K), Department of Homeland Security FEMA (500K)
   - Savannah, Ga. – May 19, 2014 – The Georgia Ports Authority Board approved Monday $86.5 million to purchase four new ship-to-shore cranes and 20 new rubber-tired gantry cranes (RTGs) used to handle containers at Garden City Terminal.
   - The Savannah Harbor Expansion Project will deepen the channel to 47 feet and result in savings by allowing larger Post Panama x-vessels to operate more efficiently and experience fewer tidal and transit delays. Thanks to Gov. Nathan Deal and the General Assembly, we have in place $266 million to begin construction, anticipated before year's end.

- Investments on the land-side terminal are also crucial to ongoing success. For example, recent improvements include more efficient cranes, more refrigerated cargo capacity and cargo-moving technology. Transportation infrastructure improvements, such as the Jimmy Deloach Parkway Extension, will bring I-95 directly into the port, reducing driving time and congestion. These investments pay dividends. Georgia's ports are contributing $18.5 billion in income, $66.9 billion in revenue and $2.5 billion in state and local taxes to the state's economy.
- Georgia currently has approximately $355.2M in funding coming from various places included, federal grants, the United States Department of Transportation, the State of Georgia and other Grant programs.

Conclusion: Intermodal capacity in southeast Michigan is inadequate and rail freight movement is insufficient. Freight destined for Detroit sometimes passes through the city by rail and then is trucked back to Detroit from other cities like Chicago (Michigan (MDOT). Enhancing economic development by preserving and maintaining a safe transportation system remains MDOT's highest priority. A Five-Year Transportation Program invests nearly $8.1 billion in MDOT's transportation system. This includes investments in the Highway, Aviation, Bus, Rail, and Marine programs. A total of $5.6 billion (including routine maintenance) will be invested in the 2014-2018 Highway Program. Over these five years, $850 million will be invested in the Aviation Program and $1.6 billion will be invested in Bus, Rail, and Marine/Port programs (allocating ($2.5M) over five years to support Michigan commercial marine operation). The Public Transportation Program receives most of its state funding through the Comprehensive Transportation Fund (CTF). Approximately two-thirds of CTF revenues are from the MTF, which is funded by the state motor fuel tax and vehicle registration fees.